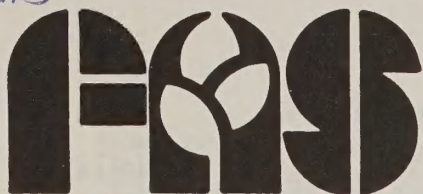


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## REPORT

United States  
Department of  
AgricultureForeign  
Agricultural  
Service

Washington, D.C. 20250

WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE

WR 9-83

WASHINGTON, March 2--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade:

## EC TRADE NOTES

PROCUREMENT SECTION  
CURRENT SERIAL RECORDS

In a move that could foreshadow an additional sale of 500,000 tons of surplus French wheat to China at the upcoming French-Chinese talks, the EUROPEAN COMMUNITY (EC) has granted a supplementary export restitution (subsidy) on wheat shipped to China. The corrective freight subsidy of almost \$6 per ton will cover higher freight costs and would be in addition to the prevailing wheat export subsidy of about \$75 per ton that the EC pays on virtually all its wheat exports to world markets. A previous EC sale of 900,000 tons of French wheat to China also carried a supplemental \$6-per-ton freight rebate.

## GRAIN AND FEED

In southern European USSR, field work and spring seeding already has begun in several important localities. According to Soviet reports, unusually warm weather in early February permitted soil preparation and planting of barley, oats and peas. Sowing began as early as mid-February in Odessa, Crimea, Rostov Oblasts and Krasnodar and Stavropol Krays (all areas near the Black Sea). The early field activities clearly indicate the soil was dry enough to work, which could have a negative impact on crop prospects in general. These areas also produce winter wheat and some barley. There is no indication whether the planting was done on ground just prepared or on that planted to winter grains last fall and now being reseeded.

## OILSEEDS AND PRODUCTS

INDIA abolished the export duty of Rs 125 (\$12.75) per ton on peanut extractions on Feb. 16. This is expected to make Indian peanut extractions more price competitive on world markets. India also established a minimum price of Rs 3,550 (\$362.25) per ton for rapeseed and mustard for the 1983/84 marketing year. There had been no support price during the previous two marketing years.

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INDIA exported nearly 124,000 tons of soybean meal between April and December 1982, according to the Soybean Processors Association. East European countries -- Poland (32,130 tons), Czechoslovakia (14,840), Romania (11,850), USSR (10,381) and the German Democratic Republic (5,735) took more than half of the amount exported.

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# DAIRY, LIVESTOCK AND POULTRY

WORLD meat production (red meat and poultry) in 1982 was virtually unchanged from 1981, as weak economic growth prevented any recovery in producer prices. Forecasts for 1983 indicate that continued softness in market prices will keep red meat production near the 1982 level. Poultry meat production in 1983 is expected to continue to expand, but at a rate below the average of recent years.

Projected world meat production in 1983 is as follows in million tons:

	1981	1982	1983
Beef and veal	40.6	40.5	40.4
Pork	37.6	36.9	36.7
Sheep and goat	4.6	4.6	4.5
Poultry	22.0	22.5	23.0
World total 1/	104.8	104.5	104.6

1/ Selected countries.

The decline in world cattle inventories, which began in 1981, continued during 1982. Drought conditions in AUSTRALIA have not changed significantly since USDA's December estimate. In SOUTH AFRICA, drought also is affecting cattle herds. Pasture and range conditions in MEXICO are improving, especially in the north, but more rains are needed. In the UNITED STATES and CANADA, inventories declined largely due to reduced beef cow numbers. In the EC, cattle inventories expanded, possibly due in part to reduced dairy cow slaughter last year. In the SOVIET UNION, 1983 inventories have risen in anticipation of better feed supplies this year. In contrast, the cattle situation in EASTERN EUROPE remains generally depressed. For 1983, world beef production is forecast to remain virtually unchanged from 1982.

	Beginning Cattle Inventory			Beef and Veal Production		
	1981 1/	1982 1/	1983 2/	1981 1/	1982 1/	1983 2/
	-----Million Head-----			--Million Metric Tons---		
Canada	12.5	12.5	12.2	1.02	1.04	1.03
United States	114.3	115.6	115.2	10.35	10.42	10.58
EC-10	78.3	78.0	79.0	6.92	6.57	6.78
Eastern Europe	37.7	37.9	37.3	2.33	2.39	2.28
Soviet Union	115.1	115.9	117.1	6.67	6.60	6.70
Argentina	58.8	57.8	58.7	2.96	2.52	2.40
Uruguay	11.0	10.9	10.3	0.41	0.39	0.39
Australia	25.2	24.5	22.4	1.42	1.69	1.35
New Zealand	8.1	8.0	7.9	0.50	0.50	0.46
World total 3/	942.7	941.9	939.7	40.62	40.48	40.38

1/ Preliminary. 2/ February 1983 estimate. 3/ Fifty-two selected countries.

WORLD hog inventories were down at the beginning of 1983, with the largest drop in the UNITED STATES. In MEXICO, inventories were down nearly 10 percent, and further declines are likely if producers cannot import needed feeds and veterinary supplies. In the GERMAN DEMOCRATIC REPUBLIC, feed distribution problems last year caused beginning 1983 inventories to be down more than 7 percent. Should these problems persist, 1983 pork production could fall below currently projected levels. HUNGARIAN hog inventories rose sharply due to continued expansion of live hog and pork exports. SOVIET hog inventories were also up sharply.

	Beginning Hog Inventory			Pork Production		
	1981 1/	1982 1/	1983 2/	1981 1/	1982 1/	1983 2/
	-----Million Head-----			--Million Metric Tons---		
United States	64.5	58.7	52.2	7.20	6.47	6.15
Canada	9.6	9.3	9.0	0.87	0.85	0.87
Mexico	15.4	16.5	15.0	1.09	1.20	1.13
EC-10	78.1	78.4	78.2	9.46	9.42	9.56
Eastern Europe	71.0	72.3	69.2	6.63	6.46	6.32
Japan	10.1	10.0	10.1	1.40	1.43	1.47
Soviet Union	73.4	73.3	76.5	5.20	5.10	5.20
World total 3/	425.4	421.4	416.4	37.63	36.89	36.73

1/ Preliminary. 2/ February 1983 estimate. 3/ Fifty-two selected countries.

WORLD pork production is expected to decline slightly in 1983. Reduced production in the UNITED STATES and POLAND will not be offset by higher production in the SOVIET UNION, HUNGARY and the EC.

WORLD sheep numbers fell from 713 million to 709 million head during 1982 due to declines in AUSTRALIA and the SOVIET UNION, which have the two largest herds. WORLD mutton and goat meat production in 1983 is expected to be 4.5 million tons, down about 100,000 from last year. In the SOVIET UNION, sheep and goat meat production has been on the decline since the late 1970s. In AUSTRALIA, production is down due to heavy drought-induced culling last year.

WORLD poultry meat production is expected to surpass 23 million tons in 1983 (2.3 percent above 1982) despite low prices in many of the major producing countries. Low feed prices have offset some of the impact that low meat prices might be expected to have. Turkey production is expected to increase 4.6 percent in 1983 as U.S. production recovers from the 1982 decline. WORLD egg production is forecast to increase 1 percent in 1983, about the same as in 1982.

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Total Poultry Meat Production 1/

	1981	1982 2/	1983 3/
	---Million Metric Tons--		
United States	6.99	7.01	7.18
EC	4.15	4.34	4.31
France	1.24	1.32	1.32
USSR	2.30	2.50	2.65
Brazil	1.49	1.59	1.65
Japan	1.13	1.21	1.24
Spain	0.89	0.89	0.87
World total 3/	22.02	22.47	23.00

1/ Forty selected countries. 2/ Preliminary.

3/ February 1983 forecast.

In the UNITED STATES, poultry and egg prices have been lower than expected, dampening production increases. Despite short feed supplies and economic problems, MEXICAN broiler production continues to increase to meet strong demand as consumers shift from higher priced beef and pork. BRAZIL's rapidly expanding broiler industry appears headed for a period of slower growth as export gains have slowed.

With substantial export subsidies, broiler production in the EC increased nearly 5 percent in 1982. However, stagnant foreign and domestic demand has resulted in low prices and rising stocks. As a result, EC broiler production is expected to decline 2 to 3 percent in 1983. EC turkey production has been less severely affected by the loss of export markets.

	Broiler Production 1/			Egg Production 2/		
	1981	1982 3/	1983 4/	1981	1982 3/	1983 4/
	---Million Metric Tons---			-----Billion Pieces-----		
United States	5.44	5.49	5.64	69.8	69.7	69.1
EC	2.86	2.99	2.92	71.1	72.4	72.5
France	0.78	0.84	0.82	15.2	16.1	16.4
USSR	0.65	0.70	0.76	70.9	72.1	74.4
Brazil	1.40	1.50	1.55	10.2	10.3	10.3
Japan	1.00	1.08	1.12	33.3	34.3	35.0
Spain	0.82	0.82	0.80	11.8	11.4	12.2
World total	15.19	15.37	15.72	352.5	355.8	359.2

1/ Thirty-five selected countries. 2/ Forty selected countries.

3/ Preliminary. 4/ February 1983 forecast.

## COTTON AND FIBERS

The SOVIET UNION has purchased 45,000 bales of high-quality Australian cotton and is seeking to purchase another 45,000 bales. The 45,000-bale purchase was negotiated some time ago, but confirmed only recently, according to the U.S. agricultural counselor in Canberra. The price reportedly was 73.5 cents per pound f.o.b., 2 to 3 cents above ruling f.o.b. prices. This is the first time the USSR has purchased cotton from Australia and represents about 10 percent of Australia's prospective crop. Trade sources indicate that additional Australian cotton has been offered to the Soviets, but the price for the additional quantity of premium cotton is unknown.

## TOBACCO

COLOMBIA issued a decree on Feb. 10 that modified the consumption tax on cigarettes by standardizing it at 100 percent of the factory price for domestic cigarettes and of the c.i.f. value for legally imported cigarettes. A sports promotion tax equal to 10 percent of the c.i.f. value also will be collected on imported cigarettes. Previously, this was levied only on domestic cigarettes. Standardization of the tax on both domestic and imported cigarettes reduces the rate on imported brands by 10 percent. Imported brands used to be taxed at a rate of 120 percent of the c.i.f. value.

About one-third of Colombia's cigarette consumption is imported, and the United States supplies approximately 90 percent of this amount. In 1982, U.S. cigarette exports to Colombia were 1.5 billion pieces, valued at nearly \$22 million.

\*\*\*\*\*

TURKEY's 1982 tobacco crop is estimated at 223,000 tons, up 6 percent from the November estimate and 23 percent larger than the 1981 crop. Yields in 1982 were 14 percent higher than in the previous year. The Aegean market opened February 17 and will continue through the month. The entire 1982 crop is expected to be sold. The support price for the highest quality tobacco leaf increased 40 percent from last year.

\*\*\*\*\*

CANADA's 1982 tobacco crop is estimated at 77,947 tons, 30 percent below the 1981 harvest because of an August frost in Ontario's flue-cured area. The new estimate puts the harvest slightly below the blue-mold reduced crop of 1979 and makes it the smallest crop in Canada in more than 15 years. Due to the reduced 1982 harvest, Ontario's flue-cured production target for 1983 crop is expected to be above last year. Ontario usually produces about 90 percent of Canada's flue-cured tobacco.

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## SUGAR

Raw sugar production in the SOVIET UNION for 1982/83 is estimated at 6.8 million tons, down 0.4 million from the December estimate, but above the 6.4 million produced in 1981/82. The lower estimate was brought about by a smaller sugar beet production level than earlier estimated, but is still dependent on the sugar content of the beets actually processed. The 1982/83 beet production level was announced at 71 million tons, up 17 percent from 1981/82.

## FRUITS AND NUTS

As a result of the February 10-13 freeze in SPAIN's citrus area, the U.S. agricultural counselor in Madrid has reduced the 1982/83 citrus crop estimate by 3 percent to 2.8 million tons. The forecast for Spain's orange crop was reduced by 50,000 tons to 1.59 million tons. The 1982/83 lemon crop is currently estimated at 380,000 tons, about 10 percent smaller than the estimate made prior to the freeze. Moderate tree damage also was reported outside the principal orange production area in Seville and Cordoba, where the lowest temperatures were recorded.

\*\*\*\*\*

SPAIN's almond orchards sustained more damage from the February 10-13 freeze than originally forecast (WR-8-83), according to the U.S. agricultural counselor in Madrid. Losses to the 1983 crop are now expected to reach 40,000 tons (shelled basis)--one-half of the projected 1983 crop of 80,000 tons.

\*\*\*\*\*

AUSTRALIA's 1983 sultana pack will total approximately 69,000 tons, down 15 percent from the 1982 volume of 81,500 tons, according to the U.S. agricultural counselor in Canberra. The 1983 pack of lexia raisins--currently estimated at 6,000 tons--is expected to be nearly one-third below last season's 8,835-ton pack. Although the sugar content of this year's crop is exceptionally high, the hot, dry weather in the major growing areas reduced berry size.

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Selected International Prices

Item	: March 1, 1983		: Change from : A year	
	:		: previous week : ago	
	\$ per MT	\$ per bu.	\$ per MT	\$ per MT
ROTTERDAM PRICES 1/				
Wheat:				
Canadian No. 1 CWRS-13.5%.*	197.00	5.36	-1.00	N.Q.
U.S. No. 2 DNS/NS: 14%*...	166.50	4.53	-3.00	186.00
U.S. No. 2 DHW/HW: 13.5%..	N.Q.	--	--	192.50
U.S. No. 2 S.R.W.....	148.00	4.03	-11.50	167.00
U.S. No. 3 H.A.D*.....	166.00	4.52	-3.00	185.00
Canadian No. 1 A: Durum*..	185.00	5.03	-1.00	209.00
Feed grains:				
U.S. No. 3 Yellow Corn....	133.00	3.38	+1.00	124.55
U.S. No. 2 Sorghum 2/.....	N.Q.	--	--	145.00
Feed Barley 3/.....	N.Q.	--	--	N.Q.
Soybeans and meal:				
U.S. No. 2 Yellow.....	227.50	6.19	-13.50	253.25
Brazil 47/48% SoyaPellets 4/	215.00	--	-14.00	N.Q.
U.S. 44% Soybean Meal.....	N.Q.	--	--	232.00
U.S. FARM PRICES 5/				
Wheat.....	131.91	3.59	-.73	132.64
Barley.....	64.76	1.41	-3.22	88.64
Corn.....	101.57	2.58	-1.18	93.70
Sorghum.....	96.78	4.39 6/	-4.63	88.40
Broilers 7/.....	941.58	--	-43.87	1015.44
EC IMPORT LEVIES				
Wheat 8/.....	115.12	3.13	+7.42	90.00
Barley.....	113.15	2.46	+.01	68.90
Corn.....	95.79	2.43	-1.03	100.10
Sorghum.....	93.90	2.38	+.37	81.10
Broilers 9/.....	313.00	--	-3.00 10/	276.00
EC INTERVENTION PRICES 11/				
Common wheat(feed quality)	185.36	5.04	-1.58	183.80
Bread wheat.....	203.75	5.55	-1.73	211.73
Barley and all				
other feed grains.....	185.36	--	-1.58	183.80
Broilers 12/.....	1091.00	--	+11.00	N.Q.
EC EXPORT RESTITUTIONS (subsidies)				
Wheat.....	77.00	2.10	+.72	66.55
Wheat flour.....	N.Q.	N.Q.	N.Q.	N.Q.
Barley.....	N.Q.	N.Q.	N.Q.	N.Q.
Broilers 9/.....	212.00	--	-2.00 13/	173.00
Sugar, refined 15/.....	365.00	--	-18.00	N.Q.

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Optional delivery: Argentine Granifero sorghum. 3/ Optional delivery: Canadian feed barley. 4/ Optional delivery: Argentine. 5/ Based on selected major markets and adjusted to reflect farm prices more closely. 6/ Hundredweight (CWT). 7/ Nine-city average; wholesale weighted average. 8/ Durum has a special levy. 9/ EC category--70 percent whole chicken. 10/ Reflects exchange rate change and not level set by EC. 11/ Reflects change by EC effective Feb. 1, 1983 from 31.8 ECU's/100 kg. to 33.15 ECU's/100 kg. \*\*Reflects exchange rate change only. 12/ F.O.B Price for R.T.C. Whole Broilers at West German border. 13/ Subsidy increase reflects change by EC Effective Feb. 1, 1983 from 20.50 ECU's/100 kg to 22.50 ECU's/100 kg. 14/ F.o.b. price for whole R.T.C. broilers at West German border. 15/ For offers accepted during the week of Feb. 23, based on a maximum subsidy of 34.405 ECU's per 100 kg. N.Q.=Not quoted.

Note: Basis March delivery. \* April-May.

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